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2	UNITED STATES DISTRICT COURT DISTRICT OF MASSACHUSETTS
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5	IN RE: NEW ENGLAND COMPOUNDING) MDL NO. 13-02419-RWZ PHARMACY CASES LITIGATION)
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)
9	BEFORE: THE HONORABLE RYA W. ZOBEL AND THE HONORABLE JENNIFER C. BOAL
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12	STATUS CONFERENCE
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16	John Joseph Moakley United States Courthouse Courtroom No. 12
17	One Courthouse Way Boston, MA 02210
18	D05 C011, 111 02210
19	June 22, 2016 2:00 p.m.
20	2.00 p.m.
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22	Cathorino A Hardal DDD CM CDD
23	Catherine A. Handel, RPR-CM, CRR Official Court Reporter
24	John Joseph Moakley United States Courthouse One Courthouse Way, Room 5205
25	Boston, MA 02210 E-mail: hhcatherine2@yahoo.com

1 **APPEARANCES:** 2 For The Plaintiffs: 3 Hagens, Berman, Sobol, Shapiro LLP, by THOMAS M. SOBOL, ESQ., and KRISTEN JOHNSON, ESQ., 55 Cambridge Parkway, Suite 301, 4 Cambridge, Massachusetts 02142; 5 Branstetter, Stranch & Jennings, PLLC, by J. GERARD STRANCH, 6 IV, ESQ., 227 Second Avenue North, Nashville, Tennessee 37201-1631; 7 Ellis & Rapacki LLP, by FREDRIC L. ELLIS, ESQ., 85 Merrimac 8 Street, Suite 500, Boston, Massachusetts 02114; 9 Lieff Cabraser Heimann & Bernstein, LLP, by ANNIKA K. MARTIN, ESQ., 250 Hudson Street, 8th Floor, New York, New York 10 10013-1413; 11 Lieff Cabraser Heimann & Bernstein, LLP, by MARK P. CHALOS, ESQ., 150 Fourth Avenue North, Suite 1650, Nashville, Tennessee 12 37219; 13 Cohen, Placitella & Roth, P.C., by MICHAEL COREN, ESQ., 2 Commerce Square, 2001 Market Street, Suite 2900, Philadelphia, 14 Pennsylvania (Appearing telephonically); 15 The Law Offices of Peter Angelos, by PATRICIA KASPUTYS, 16 ESQ., 100 North Charles Street, Baltimore, Maryland 21201 (Appearing telephonically.) 17 18 FOR PAUL D. MOORE, IN HIS CAPACITY AS CHAPTER 11 TRUSTEE OF 19 NECP, INC.: 20 Duane Morris LLP by KERI L. WINTLE, ESQ., 100 High Street, 21 Suite 2400, Boston, Massachusetts 02110-1724; 22 2.3 24 25 (Appearances continued on the next page.)

1 APPEARANCES (Cont'd): 2 3 FOR THE DEFENDANTS: 4 5 Fulbright & Jaworski, LLP, by MARCY H. GREER, ESQ., and YVONNE K. PUIG, ESQ., 98 San Jacinto Boulevard, Suite 1100, 6 Austin, Texas 78701; 7 Law Offices of Jay Blumberg, by JAY J. BLUMBERG, ESQ., 158 8 Delaware Street, P.O. Box 68, Woodbury, New Jersey 08096; 9 Gideon, Cooper & Essary, PLC, by CHRIS J. TARDIO, ESQ., and 10 MATTHEW H. CLINE, ESQ., 315 Deaderick Street, Suite 1100, Nashville, Tennessee 37238; 11 12 Nutter, McClennen & Fish, LLP, by SARAH P. KELLY, ESQ., Seaport West, 155 Seaport Boulevard, Boston, Massachusetts 13 02210-2604; 14 Pessin Katz Law, P.A., by GREGORY K. KIRBY, ESQ., 901 15 Dulaney Valley Road, Suite 400, Towson, Maryland 21204; 16 Wickstrom Morse, LLP, by DEBORAH GRESCO-BLACKBURN, ESQ., 17 60 Church Street, Whitinsville, Massachusetts 01588 (Appearing telephonically); 18 19 20 21 22 23 24 25

PROCEEDINGS

(The following proceedings were held in open court before the Honorable Rya W. Zobel, United States District Court Judge, and the Honorable Jennifer C. Boal, Magistrate Judge, United States District Court, District of Massachusetts, at the John J. Moakley United States Courthouse, One Courthouse Way, Boston, Massachusetts, on June 22, 2016.)

JUDGE ZOBEL: Good afternoon. Please be seated.

MS. JOHNSON: Good afternoon, your Honors.

JUDGE ZOBEL: I note that there are fewer lawyers here, but I understand that we have more than ever on the telephone.

MS. JOHNSON: We do, your Honor. Out of an abundance of caution, because we had a number of filings in response to the Court's show cause order, the PSC had suggested that attorneys participating by telephone, should the Court want to hear from them -- we understand that the Court may not wish to do so, but at least wanted people to be available if you had questions.

JUDGE ZOBEL: I certainly appreciate your concern about those lawyers, but when has the Court wanted to hear from you?

(Laughter.)

MR. STRANCH: But there's 70, your Honor, seven zero.

JUDGE ZOBEL: You're all welcome. However, we have

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      some -- a little bit of business before we get to that, right?
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               MS. JOHNSON: Yes, your Honor.
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               So, the agenda starts by identifying two Specialty
      Surgery Center-related discovery motions that were heard this
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      morning before Judge Boal. Aside from those two motions,
      there were none for which the parties requested oral argument.
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      So, I think we can move directly to the report to the Court
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      section of the agenda, letter C.
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               JUDGE ZOBEL: Okay.
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               MS. JOHNSON: And so, we start with No. 3, which is
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      the status of the bankruptcy, and Ms. Wintle will discuss that
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      for the trustee -- post confirmation officer.
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               JUDGE ZOBEL: I'm sorry. Ms. Winslow?
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               MS. WINTLE: Wintle, W-i-n-t-l-e.
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               JUDGE ZOBEL: Okay.
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               MS. WINTLE: Good afternoon.
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               Not a lot to report again on the status of the
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      bankruptcy, not a lot of activity on the bankruptcy docket.
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      The bankruptcy court did enter an order allowing a motion to
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      deem a late-filed claim timely, and I think, as I reported to
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      the Court last status conference, the post confirmation
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      officer has collected the 2014 tax refunds and the 2015
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      returns are processing.
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               JUDGE ZOBEL: That's it?
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               MS. WINTLE: That's it, your Honor.
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               JUDGE ZOBEL: Thank you very much.
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               MS. WINTLE: Thank you.
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               JUDGE ZOBEL: Is there anyone among the 70 on the
      telephone who did not clear well enough?
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               (No response.)
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               JUDGE ZOBEL: That's good. Okay.
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               MS. JOHNSON: Mr. Sobol wanted to address the status
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      of the bankruptcy, your Honor.
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               (Discussion off the record.)
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               MR. SOBOL: I have to be pointed in the right
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      direction by Ms. Johnson own all matters, your Honor. Good
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      afternoon.
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               There are, I think, three issues I want to bring to
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      your attention that are related to bankruptcy matters.
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      first is the timing of payments to claimants. The second is
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      status of healthcare liens and the --
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               JUDGE ZOBEL: The Status of?
               MR. SOBOL: Of healthcare liens of reimbursements to
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      healthcare --
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               JUDGE ZOBEL: I don't think your microphone is on.
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               (Discussion off the record.)
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               MR. SOBOL: And will be the status of healthcare
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      liens, and then the third will be the retirement of Judge
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      Boroff.
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               So, first, turning to the timing of payments.
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important to understand that of the approximate 3,000
claimants that there are for the tort trust, that there is a
sequence of approvals of the claims. Currently there are
approximately 1200 claimants whose claims have been approved
and for whom there is no appeal or dispute. The remaining, of
course, are in some other part of a process of approval or
appeal, or what have you.
         It's also important to understand that there are
initial payments that go to any claimant whose claim has been
approved, and then there will be later payments to that
claimant, essentially, as a true-up, if you will, once all
claims have been disposed of.
         JUDGE ZOBEL: So, it is anticipated to have two
payments?
         MR. SOBOL: At least two claimants, depending upon
how this administratively works out.
         JUDGE ZOBEL: And when is it anticipated that the
first payment will be due?
         MR. SOBOL: So, the first -- yes, the first 1200
claimants we are -- I am driven to get them their payments in
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August of this year, in a couple of months. There's a bit
more of the process to that that I'll turn to in a moment, but
just so that you understand, what I'm going to try to drive
the claims administrator and the tort trustee to do -- and
everybody has been working very hard on this -- is to have

initial payments go out in August to the 1200 or so people who have been teed up for them, that whatever number of more claims that can be approved get paid in October, two months later, and then, also, whatever additional claimants are then approved be done in December, essentially, in two-month lots, if you will, to try get as many claims paid this year as possible.

JUDGE ZOBEL: What is causing the delay of -- you said there were about 3,000 all together?

MR. SOBOL: Yes.

JUDGE ZOBEL: So, the 1800 who are still waiting, why are they still waiting? Just simply because so many could not be processed at one time?

MR. SOBOL: Well, that's a part of it, but then there are differences of opinion as to where they should land in the matrix. And so, there's a process by which someone might be able to appeal that issue. Sometimes there are inadequacies in the submission that has been made and the submission needs to be supplemented.

I will say that the claims administrator and there are a couple on the PSC and also Mr. Ellis, who is sitting behind me, Rick Ellis, have been quite vigilant on being on top of the claims administrator. I have no information to suggest that anybody has been in any way dragging their heels or anything at all like that. It's simply trying to deal with

the logistics of the situation.

Now -- so, essentially, the goal, then, is to try to have as many of the claims approved or denied or resolved this year as possible and have the payments go out in those three lots to as many of the total 3,000 claimants who are entitled to any portion of the money.

There is an additional footnote, which is that under the terms of a settlements, there is a supplemental payment that's made for certain tax benefits that the settling defendants have provided to the tort trust that might become available in two or three years. It's really -- actually, it's quite some period of time, but I didn't want to omit saying that, but just so you understand the overall structure. In order to wait for certain issues of potential claw-back on those tax benefits, that kind of thing, that might happen much later on. And, of course, this process might take up -- essentially, the true-up payments occur in 2017 for the approved claims. So, that's the timing of the payments.

The timing of the payments, however, also is dependent on resolving any claims that healthcare plan sponsors, healthcare insurers, or the Federal Government, or state governments under Medicaid, might have to all or a portion of the money that's going to the claimants. So, the PSC and the tort trustee have carved out a role for trying to resolve as many of those liens as they have notice of.

So, I'm now going to walk through that and, again, I'm doing this both for the Court, but also for the lawyers who are on the phone and for the lawyers who are here in court.

First, there's been an extensive negotiation with the Center for Medicare and Medicaid Services or whatever their current name is, CMS, and including even today. We have virtually reached an agreement with them.

There is one remaining clause to the release that needs to be finalized, if not this afternoon, tomorrow, with CMS to have a proposed resolution with CMS under that proposed resolution, there will be a methodology to resolve those liens with CMS for the vast bulk of the claimants who are Medicare eligible during the time period that we believe that people are receiving medical assistance or medical payments from Medicare.

People, lawyers, or claimants who are dissatisfied with that proposed resolution will have the right to opt out of that resolution with Medicare and pursue an individual negotiation with Medicare if they like.

JUDGE ZOBEL: But how does that work with respect to payments?

MR. SOBOL: Right, and you're anticipating my next point. If someone is Medicare eligible and participating in this plan with Medicare, then the payment will go out, the

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payment will go out to the claimant and to Medicare as -- in our time period that has joined. It happens at the same time. There's a percentage depending upon where someone is in the matrix and the checks go out X percentage to the claimant and Y percentage to CMS. JUDGE ZOBEL: Not one check payable jointly? MR. SOBOL: No. There will be two checks that go out. JUDGE ZOBEL: If the claimant, not the -- if the injured person disagrees with the payment to Medicare, how do they deal? They have to go to Medicare and ask for it back? MR. SOBOL: No. So, then we will find out before the checks go out this -- in July, whether someone, a claimant and their counsel, agree or disagree to have their client participate in the Medicare proposed settlement. If they agree with it, then when the checks are cut, the percentage goes one to the Medicare-eligible claimant and the other to Medicare. If, on the other hand, they disagree, they don't want to participate in this plan, then the tort trustee will likely hold the money until the time that that tort trustee receives a certificate indicating that there either is a deal in place or it has otherwise been resolved. And so, it would be upon the claimant to act with all

dispatch and the lawyer to be dealing with Medicare and to

pursue whatever resolutions they want.

Given federal laws that, arguably, impose liability upon the tort trustee for the tort trustee disbursing those funds in the absence of a resolution with Medicare, the tort trustee, on my recommendation, is required to withhold that money until that time, simply because of the potential -- I'm not saying that it's real, or whatever, but there's a potential that there's an exposure to the tort trustee under those circumstances. So, that's one thing we've done with CMS, okay?

There are also three groups of insurance companies, healthcare insurers, private healthcare insurers that have raised claims that their clients are entitled to some form of reimbursement, and we are in the process of seeing if those insurers will agree, in form or substance, to a similar, if not identical kind of program that we also have with CMS we are not as far along with them as we are with CMS, but we've been having discussions with them daily over the past several weeks to work out that as well.

JUDGE ZOBEL: Do they operate as a group or individually?

MR. SOBOL: There are -- there's one group of lawyers that represent Blue Cross/Blue Shield of Tennessee. There's another group that represents Blue Cross/Blue Shield of Michigan. If you recall, those are two jurisdictions where

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there are a significant number of claimants. Then there's a third law firm, Rolands & Associates that represents a large group of the large commercial health insurers in the United States that is negotiating or discussing things as a group.

Now, it's important to understand that -- and we're going to also write a letter to all the lawyers about this, too, and it's going to go out Friday or Monday -- that this is the -- that this is the group of private health insurers that we have been speaking with.

It needs to be understood that self-insured employers and health plans, there are about 35,000 of them in the United States. It is literally impossible to negotiate with all of them at any one period of time. And so, we will -- I indicate to the lawyers for all claimants the identities of the insurers that we are trying to put together a proposal for which they would participate in and if they choose to, they will, and if they choose not, they'll go out on their own, just like they do with CMS, but they aren't negotiating with all hate insurers, and we cannot. So, if they have reason to think that their client has any private health insurance, they should individually negotiate that so an appreciate certification can go to the tort trustee in a timely manner so that the funds may go out to that claimant as well. So, we'll be indicating in some correspondence to, you know, counsel of record for the claimants the form of the certification that we

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      need for the tort trustee to release the money.
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               JUDGE ZOBEL: Other than the pro se claimants, are
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      there any with whom you have to deal directly as opposed to
      their lawyers?
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               MR. SOBOL: No. No.
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               JUDGE ZOBEL: There are only very few pro se's,
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      right?
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               MR. SOBOL: That's right.
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               (Attorney Sobol's umbrella falls.)
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               JUDGE ZOBEL: You go ahead.
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               MR. SOBOL: I just keep on forgetting it in the
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      courtroom. So I have to keep it close.
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               So, there are none, no others.
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               And the reason I mention this is I got, as an
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      example -- it's a real-world problem -- I got an email the
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      other day some very good lawyers who are diligently
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      representing their clients, people have had some very serious
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      medical illnesses, just -- medical problems by reason of this
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      just by looking at the size of the liens that they have, but
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      they've got liens from three or four different insurers, and
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      some of them -- one of them might be CMS, one of them might be
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      one of the healthcare, you know, insurance companies that
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      we've been dealing with, but then there are a couple of others
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      that are small ones that we don't know and we haven't been
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      negotiating with. So, in any event, we're going to get this
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      notice out to them as promptly as we can. So, I guess that's
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      where we are with all of that.
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               Then the final thing I wanted to --
               MR. ELLIS: Mr. Sobol, can I make one correction?
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               MR. SOBOL: Yes.
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               MR. ELLIS: I just don't want the lawyers to kind of
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      misunderstand.
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               MR. SOBOL: Yes.
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               MR. ELLIS: There are actually 2350 claimants, not
      3,000.
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               MR. SOBOL: There we go. So, there's fewer than I
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      thought.
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               JUDGE ZOBEL: Fewer letters.
               MR. SOBOL: What's that?
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               JUDGE ZOBEL: Fewer letters.
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               MR. SOBOL: Fewer letters, too.
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               (Discussion off the record.)
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               MR. SOBOL: My understanding is that Judge Boroff,
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      who, obviously, sat on the bankruptcy in this matter and still
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      has a role, is retiring at some point this summer or fall.
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      There are some -- as you are aware, there are some legacy
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      issues that under the agreements and the plan that was put
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      into place, that need to be dealt with by Judge Boroff. There
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      are either some reporting requirements and there's some other
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      potential other -- relatively administrative matters for the
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bankruptcy court to address. And so, simply, as a matter of expediting things -- and I don't know what the answer is to this, but I, with all respect, suggest that if this Court could speak with Judge Boroff and find out what administratively makes the most amount of sense. Does it make sense to withdraw the reference and have this Court simply be the one place -- one-stop shopping, if you will, or does it make more sense for whoever is going to take over the matter at the bankruptcy court to take it on and get up to speed on things, and I don't make any particular suggestion in that regard because I don't know what else might be involved, but I put that out there for the Court to address if it thinks it's appropriate to.

JUDGE ZOBEL: Do you have a sense as to how much longer the process will take before --

MR. SOBOL: Well, I think, technically, it's going to go on -- their legacy issues will exist for a considerable period of time. They won't be large. They won't be often as time goes on, but given the way that the plan is drafted and there are these tax benefits that just, you know, hang around for a long period of time, I think you should just expect that administratively there'll be something to do for two or three years, at least. Again, not a lot. No heavy lifting of any kind, I don't think.

So, Ms. Johnson also mentioned that maybe I should

also address one other thing now that I've got the floor and then I'll -- if that's acceptable, your Honor.

JUDGE ZOBEL: Yes.

MR. SOBOL: You recall, your Honor, that there's also -- one of the things that this Court needs to address is the common benefit fee and expense order and allocation. So, there is a need to address both whether there should be a common benefit fee. If so, what the percentage should be. And, also, approve or modify any allocation of those fees and expenses. That's a matter that needs to be addressed.

So, over a period of time, a subcommittee of the Plaintiffs' Steering Committee has requested submissions and has reviewed submissions of firms, both for their time and their expenses. The PSC is planning on having a meeting in the middle of July to sit down and see if we can come to a joint recommendation regarding the allocation of those fees and expenses, and what I would like to suggest is a process for this Court to consider that submission.

So, I'm just going to put out -- throw out some dates and we'll see what happens and we'll see if someone squawks about it, but since the PSC is going to meet in the middle July, I would suggest that the PSC file any proposed recommendation on or before August 1st, that any objections, people would have four weeks to make an objection, which would be August 29th; that the PSC then have about four weeks to

1 respond to that by way of a reply for September 26th --2 JUDGE ZOBEL: I'm sorry. What was the date second 3 date? MR. SOBOL: August 29th --4 5 JUDGE ZOBEL: Okay. MR. SOBOL: -- for any objections; that there then be 6 7 a reply by the PSC on September 26th, 2016; and that the Court 8 conduct a hearing, whether in October or November, depending 9 upon what -- you know, how much time it wants to have between 10 when it has all the submissions and when it wants to have a 11 hearing. 12 And what I would also say is that the timing of this 13 -- the reason I'm putting this timing out is so that any 14 resolution on the common benefit fee will be happening at a 15 point in time such that there will never be an entitlement of 16 the lawyers to receive fees and expenses until the clients are 17 getting the money. So, just to make sure that there's an 18 appropriate timing of things. 19 JUDGE ZOBEL: Is it contemplated that the PSC 20 proposal be preceded by an attempt to get resolution among all 21 of you? 22 MR. SOBOL: That's a good question. So, it's 23 assumed, although not necessarily clear, that even the PSC 24 will have its own view. If what you're suggesting -- and this 25 might be helpful -- is that we build into the process that the

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      PSC send to all the lawyers a proposed -- just to the lawyers
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      our proposed recommendation, and see what they come back with,
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      and then we revisit our recommendations before it's brought to
      the Court, then I suggest that I will -- that we move these
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      dates, and the PSC will make its proposed recommendation,
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      therefore, on September 26th, 2016, because then we will have
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      made our recommendation to everybody.
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               JUDGE ZOBEL: We're moving the schedule back from
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      August 1 to September 26?
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               MR. SOBOL: Correct. Right. Because what I would
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      do, your Honor -- I'm not trying to make this complicated, but
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      the PSC will still make the recommendation, but will make it
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      only to the lawyers on August 1st, and then we'll finish our
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      negotiations or our discussions with the lawyers by August
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      29th, such that we -- I guess we file our proposed
      recommendation September 26th, and then four weeks thereafter
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      that get formal objections to the Court.
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               JUDGE ZOBEL: And objections you previously had at
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      about four weeks later?
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               MR. SOBOL: Yes.
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               JUDGE ZOBEL: So, this would again be four weeks
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      later?
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               MR. SOBOL: Correct.
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               JUDGE ZOBEL: That would make it around October 20 or
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      thereabouts, right?
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               (Discussion off the record.)
               MR. SOBOL: Yes. I'm trying to -- four weeks after
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      September 26th, your Honor. I don't have my calendar in front
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      of me, I'm sorry.
               JUDGE ZOBEL: You're about to find out.
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               MR. SOBOL: Here we go.
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               COURTROOM DEPUTY CLERK YORK: 24.
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               JUDGE ZOBEL: October 24?
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               COURTROOM DEPUTY CLERK YORK: Yes.
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               JUDGE ZOBEL: And then the reply --
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               MR. SOBOL: Then the reply would be November 21st.
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      So, you would be making your decision --
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               JUDGE ZOBEL: Then we would have a hearing at the
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      December --
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               MR. SOBOL: Yes.
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               JUDGE ZOBEL: -- at the December meeting.
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               MR. SOBOL: Yes. If it's agreed, I guess the lawyers
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      will get paid this year.
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               JUDGE ZOBEL: Assuming I act quickly.
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               Now, the lawyers will get paid out of the same trust
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      fund, right?
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               MR. SOBOL: Yes.
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               JUDGE ZOBEL: Is there an understanding at this point
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      as to what portion, what percentage of the trust fund is going
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      to go to lawyers?
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MR. SOBOL: Yes. The preliminary -- the pretrial orders in this Court indicated that as much as eight percent of the gross of the funds that would be available would go to the common benefit fee and expenses. I think that the reported lodestar and expenses by all firms exceeds the eight percent. I'm not going to prejudge things, but I think that the recommendation of the PSC will be that it comes in at eight percent for the fees and expenses. So, you can see that the recommendation is really one of an allocation among the lawyers of an amount of money that's less than what their time and expenses indicates. JUDGE ZOBEL: Okay. Well, it sounds like a

reasonable way to go. All right.

MS. JOHNSON: That brings us to No. 4, your Honor, the status of the insurance declaratory judgment actions.

MR. STRANCH: Good afternoon, your Honor. Gerard Stranch on behalf of the PSC.

Since the last time we spoke on the declaratory judgment action, Judge Sharp has certified a question to the Tennessee Supreme Court.

JUDGE ZOBEL: Are they as slow as the SJC?

MR. STRANCH: It's finally moving, at least. we start through the process of briefing and determining whether the Tennessee Supreme Court is going to take the question or not, and that process -- we went through it about

1 a year ago and it took about nine months to get a ruling. 2 JUDGE ZOBEL: What is the impact of these insurance 3 coverage cases on this case? MR. STRANCH: This insurance declaratory judgment 4 5 action is for an insurance policy that, as I understand it, 6 would only provide coverage if we're allowed to bring a 7 products liability case. So, the question being presented to 8 the Tennessee Supreme Court is: Are we allowed to bring a 9 products liability case? 10 JUDGE ZOBEL: Is that the question or whether what you have brought is a product liability case? 11 MR. STRANCH: Well, your Honor, it's actually a 12 13 little bit more nuisanced. There's both questions, the one that I presented and the one that she did, are contained 14 15 within the paragraph this long (indicating) question. 16 JUDGE ZOBEL: It will be interesting. 17 MR. STRANCH: We'll see. 18 And this applies only to the Specialty Surgery Center 19 defendants that are still in front of the Court also in 20 Tennessee and have approximately 24, 25 cases. 21 JUDGE ZOBEL: All right. Discovery: No status. 22 MS. JOHNSON: There's an unfortunate typo there, your 23 The agenda suggests that no discovery has been done. 24 I assure you that is not true, but if we look to 5(a), we have 25 had rulings from the Court since the last time granting the

1 motion to quash the Emory Clinic and Vanderbilt subpoenas. 2 That then brings us to Item 6, status of the 3 litigation track, and Mr. Stranch will address the Saint 4 Thomas. 5 JUDGE ZOBEL: Now, the Saint Thomas docket number is 6 2921, is it not? It's the subsequent order, not the first 7 one. 8 MS. JOHNSON: That's correct. 9 MR. STRANCH: That's correct, your Honor. 10 JUDGE ZOBEL: Okay. 11 MR. STRANCH: And to update the Court on where we 12 are, we have a written MOU where we've agreed upon all the 13 material terms with Saint Thomas and the Saint Thomas 14 Entities. We are still wordsmithing a couple of concepts that 15 we were all generally in agreement of for two sections. anticipate resolving that in the next day or two because we've 16 17 exchanged a couple of different drafts on that, and hope that 18 by next week we'll be sending out the documents for signatures 19 by the various clients so that we can move forward on 20 resolving that aspect of the litigation. 21 JUDGE ZOBEL: How many plaintiffs are there in this 22 -- in that piece of the litigation? 23 MR. STRANCH: I believe there are -- well, I believe 24 there are 116 plaintiffs, but there are fewer cases because 25 some of the cases contain multiple plaintiffs.

1 JUDGE ZOBEL: Okay. So, that's both pieces of 6(a)? 2 MR. STRANCH: Yes. 3 MS. JOHNSON: Then, your Honor, that brings us to 6(b), which is the responses to the show cause order. 4 5 My office filed earlier today a chart that endeavored 6 to summarize those responses. I do have extra copies if the 7 Court or the clerks would like. 8 JUDGE ZOBEL: Well, actually, my problem is that the 9 -- I have to find the papers. Here it is. 10 One of the documents pertaining to this is the 11 corrected order to show cause, and that has a list of cases. 12 MR. STRANCH: Yes, your Honor. 13 JUDGE ZOBEL: I have some difficulty correlating that 14 order, that list, with the order -- with the summary that you 15 have given me. 16 MS. JOHNSON: Well, let me see if I can help the 17 Court with that a bit. 18 This list that we filed today grew from the list that 19 we provided in the corrected show cause order. So, the list 20 in front of the Court is -- builds on the previous charts and 21 then it added some information in the bottom columns. So, it 22 doesn't perfectly track. 23 You'll notice, for example, your Honor, if you turn 24 all the way to the end, we added columns to reflect filings by 25 the Box Hill plaintiffs and defendants, the Premier plaintiffs

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      and defendants, and a motion to remand filed by Specialty
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      Surgery Center. So, in that sense, this chart is more
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      comprehensive.
               I think, with the Court's permission, I'd like to
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      make some observations about what's happened with those
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      filings, and also some observations about the number of cases
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      that would be affected, if I may.
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               JUDGE ZOBEL: Let me just ask you doing while we're
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      doing this...
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               (Pause.)
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               JUDGE ZOBEL: Well, go ahead. I'll find it.
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               MS. JOHNSON:
                            Thank you, your Honor.
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               So, I'll first observe that the PSC's suggestion to
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      the Court that initiated this process was that remand may be
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      appropriate for some groups of cases so long as the plaintiffs
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      and the defendants in those matters did not object.
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               The Court then issued a show cause order that
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      required plaintiffs in the remaining clinic cases to file
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      objections if they objected. The Court's order also gave the
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      Box Hill and then Premier groups, both plaintiffs and
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      defendants, an opportunity to indicate what they would prefer.
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      So, they're positioned a little bit differently in the Court's
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      order. So, if we're to start with what we were referring to
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      as the remaining clinic cases, I'll make the following
      observations:
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There are nine clinics for which no objection to
remand was filed. Those include Cincinnati Pain, OSMC,
Ambulatory Care Center, BKC, Sunrise, Dallas Back Pain,
Sequoia, Wellspring and PCA. In total, that addresses 17
individual civil actions.
         JUDGE ZOBEL: So that means that those cases would go
back to multi-district or to the transfer courts.
         MS. JOHNSON: That's correct, your Honor.
         So, procedurally, the PSC's suggestion would be that
we would prepare for the Court a proposed suggestion of remand
that the Court could then sign on to and file with the panel,
such that those cases would then be transferred back to the
federal district in which they were transferred from.
         JUDGE ZOBEL: I'm sorry. Can you give me the list
again? Started with Cincinnati.
        MS. JOHNSON: Cincinnati Pain.
         JUDGE ZOBEL: Yes.
        MS. JOHNSON: OSMC.
         JUDGE ZOBEL: I'm sorry, what was the next one?
        MS. JOHNSON: OSMC.
         JUDGE ZOBEL: Okay. Got it.
        MS. JOHNSON: Ambulatory Care Center, BKC, which I'll
return to in a minute, your Honor. Sunrise, Dallas Back Pain,
Sequoia, Wellspring and PCA.
         JUDGE ZOBEL: Okay.
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               MS. JOHNSON: So, again, the --
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               JUDGE ZOBEL: As to those, you will give me an order
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      to remand?
               MS. JOHNSON: Correct, your Honor. Actually, it will
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      be styled as a proposed suggestion of remand, a paper that the
      Court traditionally files with the JML as a suggestion of
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      remand, but functionally it's an order for remand, correct.
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      So, as to those, that would mean 17 cases would be transferred
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      back to the district in which they came from.
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               We then had objections to remand filed in five cases.
      That's APAC, A-P-A-C, and Encino, Ocean State, Fullerton.
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               JUDGE ZOBEL: Wait a minute.
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               (Pause.)
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               JUDGE ZOBEL: Oh, I see Encino. What happened after
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      Encino, Ocean State?
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              MS. JOHNSON: Ocean State, Fullerton, and MAPS is the
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      final.
             In total, that's nine civil actions included in those,
18
      your Honor.
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               JUDGE ZOBEL: And as to those, you propose to file
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      some additional document?
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               MS. JOHNSON: As to those, we would like the Court's
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      suggestion as to how you would like to proceed. In each of
23
      those instances, the plaintiffs filed an objection to remand.
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      In two of them, Ocean State and Fullerton, the defendants have
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      already filed papers indicating that they want to be remanded.
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I believe that counsel for the plaintiffs and defendants in all of those actions are on the telephone. We had at least suggested that they may dial in, in case the Court may wish to ask them questions. And so, from there we really would take the Court's queue as to what the Court would like in order to resolve these apparent disputes. JUDGE ZOBEL: These are all entities who have only one or two or three plaintiffs, right? MS. JOHNSON: APAC has four, your Honor. The rest have one or two. JUDGE ZOBEL: So, four is the maximum number of plaintiffs? MS. JOHNSON: Maximum number of civil actions. I actually don't have the number of plaintiffs, your Honor. JUDGE ZOBEL: But most of them have one group -- a group that belongs together? MS. JOHNSON: Correct. Yes. JUDGE ZOBEL: And then the question is whether they should go back for trial or stay here for trial. I mean, that's what we're now talking about. MS. JOHNSON: Well, your Honor, I think it's actually -- it's a step before trial, because, as the Court may recall, you had issued an order requiring everyone to file lexicon certifications either waiving or not waiving the right to trial in their home district, and only one defendant had

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      agreed to waive lexicon to have their cases tried here.
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               So, I think what the Court is actually -- and that
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      defendant was Insight, who has long since settled. So, it
      wasn't relevant for today's purposes. So, functionally, at
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      least as it stands for those cases, they would ultimately be
      tried in the district from which they originated. So, I think
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               JUDGE ZOBEL: Right. So, the question is whether
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      they're at the point of discovery or whatever is necessary to
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      get them toward trial or whether they need to be here. I
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      think Judge Boal should think about that, too.
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               JUDGE BOAL: I had a question as well. On both sets
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      of -- both categories here, the nine clinics and the five
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      clinics, there are cases that the transfer order was the
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      District of Massachusetts.
16
               MS. JOHNSON: Yes, that is correct, your Honor.
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               JUDGE BOAL: So, it potentially with -- in the nine
18
      cases with the suggestion of remand, they would just be coming
19
      back here?
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               MS. JOHNSON: That is true. At least, I think it's
21
      -- forgive me. I think it's two, at least two would stay
22
      here.
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               JUDGE BOAL: Some stated in state court?
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               MS. JOHNSON: Yes.
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               JUDGE BOAL: Some started in federal court?
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               MS. JOHNSON: Yes. Correct.
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               JUDGE BOAL: And the same is true with the five
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      group?
               MS. JOHNSON: That's correct, your Honor, and I did
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      not break that out in my report to the Court just now, but the
      chart that we filed earlier does make that -- provides that
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      information for the Court.
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               JUDGE BOAL: So, they may be ours for discovery,
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      anyway?
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               MS. JOHNSON: They may be.
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               JUDGE ZOBEL: But, in general, the objection to
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      remand has to do with the assertion that the case isn't quite
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      ripe for remand, not that it should stay here?
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               MS. JOHNSON: No, your Honor. I think the objection
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      in APAC, Encino, Fullerton, MAPS and Ocean State, so I quess
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      all of them, is that it should stay here at least for pretrial
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      purposes, and I have to -- I want to speak with counsel again
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      and read those more closely. I think at least one of those
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      may suggest that trial here may be appropriate.
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               JUDGE ZOBEL: Well, it -- so, pretrial purposes I
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      understand is essentially the close of discovery, including
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      maybe expert discovery, but not individualized discovery,
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      right?
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               MS. JOHNSON: Yes, your Honor.
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               JUDGE ZOBEL: So, the remand -- you would not object
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to remand as soon as the discovery piece of it is done? MS. JOHNSON: I don't know that, your Honor. I would expect that to be true, but not having spoken with Ms. Dougherty or Mr. Wickstrom, who filed these objections, it's not clear to me what their position is. They may be on the phone. I do know that -- I'll mention this is -- the Ocean State case seems to me to be a little bit differently positioned, because the Ocean State case involves a Rhode Island clinic, over which the Court has personal jurisdiction. It was originally filed in Massachusetts. So, it may be that the trial of the Ocean State case is appropriate and, as Judge Boal has pointed out, there were other cases amongst these group that were filed in the District of Massachusetts, which also may color where trial occurs. JUDGE ZOBEL: But for the majority of these cases, where there are objections, the objection really has to do simply with the timing of remand? MS. JOHNSON: I believe that to be true, your Honor. Out of an abundance of caution, I would want the counsel that filed them to be able to comment on that, but I believe that to be true based on the filings made so far. JUDGE ZOBEL: Because, as I understood it, where we had larger groups, we would have -- continue with the Bellwether system. So, it's whether the groups are small

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      enough so that they should go back, and then the only other
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      question is when --
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               MS. JOHNSON: That is correct, your Honor.
               JUDGE ZOBEL: -- at the appropriate time now.
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               Would it be helpful, Jenny, to have the plaintiffs
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      and the defendants tell us on timing what they think?
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               JUDGE BOAL: Yes.
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               JUDGE ZOBEL: You know, maybe you could -- we're just
      now beginning to look at this, but maybe you could give some
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      quidance as to what you think is the best time for remand for
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      those that are not going to go through the Bellwether process.
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               MS. JOHNSON: We can certainly do that, your Honor.
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      My understanding --
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               JUDGE ZOBEL: After consulting with counsel in the
      individual cases.
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               MS. JOHNSON: Yes, your Honor.
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               My understanding, just to be clear, what the Court is
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      asking for is timing as to those where objections were filed.
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               JUDGE ZOBEL: Right.
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               MS. JOHNSON: Correct.
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               JUDGE ZOBEL: Right. Because at some point they're
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      going to go back unless you're going to try them here. I'm
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      not so concerned about the Massachusetts and Rhode Island
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      cases, but the bunch of others that are desperate to go home.
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               MS. JOHNSON: Yes, your Honor. So, we will speak
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      with counsel, both plaintiffs and defense counsel, in those
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      actions and endeavor to put before some thoughts on timing
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      before the next status conference.
               JUDGE ZOBEL: Let me ask you, in conjunction with
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      Ocean State, there is the Simas case, in which I have a motion
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      for summary judgment. Does that need to be decided now or is
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      that case different from the other Ocean State cases?
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               MS. JOHNSON: I would defer to Ms. Gresco-Blackburn,
 9
      Blackburn, who I believe is on the phone.
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               MS. GRESCO-BLACKBURN: I am on the phone.
11
               JUDGE ZOBEL: Okay.
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               MS. GRESCO-BLACKBURN: I represent the Simases, your
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      Honor.
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               JUDGE ZOBEL: Well, is that case different from the
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      other plaintiffs?
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               MS. GRESCO-BLACKBURN: Yes, it is, your Honor.
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               JUDGE ZOBEL: In what way?
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               MS. GRESCO-BLACKBURN: We have Simas and separate --
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      the other case is Ocean State vs. Hanson, which is a separate
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      case.
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               JUDGE ZOBEL: I know, but the issue that is raised in
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      the motion to dismiss or summary judgment -- I can't -- some
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      dispositive motion, is that different for the different
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      defendants in the Ocean State -- the different plaintiffs in
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      the Ocean State case?
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MS. GRESCO-BLACKBURN: Well, we objected to it and
the other plaintiffs did not, your Honor. So, it's been fully
briefed as far as the Simases are concerned.
         JUDGE ZOBEL: So, as far as you're concerned, it
should be decided?
         MS. GRESCO-BLACKBURN: Yes.
         JUDGE ZOBEL: Okay. We'll just decide it, then.
        MS. GRESCO-BLACKBURN: Thank you.
         JUDGE ZOBEL: Now, there was one other -- I just saw
it somewhere. There are too many charts. The estate of Alice
Thompson. There was a motion for more time to object or not.
        MS. JOHNSON: Yes, your Honor, and that was my firm's
motion. We are in the process of speaking with the personal
representative and counsel for the estate who had requested a
bit more time to decide on whether they wished to be remanded
or to stay before this Court.
         JUDGE ZOBEL: So, I'll allow that motion.
        MS. JOHNSON: Thank you, your Honor.
         JUDGE ZOBEL: And then depending on what comes out of
it, you will tell me which of the categories it belongs to.
        MS. JOHNSON: Correct, we will do that.
         JUDGE ZOBEL: Okay.
        MS. JOHNSON: I think that then brings us, your
Honor, to the filings made by Box Hill and Premier in response
to the show cause order, and I will endeavor to just simply
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      state the parties' positions, but leave any argument to the
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      individual counsel involved.
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               JUDGE ZOBEL: Hold it one second.
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               (Pause.)
               JUDGE ZOBEL: I have Box Hill. I have Premier.
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      Specialty Surgery was part of the list you already covered?
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               MS. JOHNSON: It's not, but Mr. Stranch will address
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      Specialty Surgery next, your Honor, if that's all right.
               JUDGE ZOBEL: And Edwards was the case in which you
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      wanted more time?
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               MS. JOHNSON: Thompson -- Gilliam and Thompson was
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      the case in which we wanted more time, your Honor.
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               JUDGE ZOBEL: There's one more --
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               MR. STRANCH: In Edwards there was an objection to
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      remand filed by the plaintiff. That's the MAPS case.
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               JUDGE ZOBEL: For extension of time to respond to
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      order to show cause by you, but it says, "Edwards."
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               MS. JOHNSON: Oh, it should not. It should say
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      Gilliam or Thompson, which the plaintiff's names.
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               JUDGE ZOBEL: That's Alice Thompson?
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               MS. JOHNSON: Yes. We've dealt with that one, your
22
      Honor.
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               JUDGE ZOBEL: So, that's allowed.
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               All right. And then we have Specialty Surgery and
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      the Premier defendants and Box Hill.
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MS. JOHNSON: That's correct, your Honor. I'll do those in reverse order, if you'll permit me.

As to Box Hill, you recall there's a group of eight cases against Box Hill and some individual doctors that's been pending in the MDL for a while. They have been litigated actively pursuant to a discovery schedule set by the Court. There is no trial date or Bellwether process yet in place for those, but they have been -- that was the anticipation before the Court's show cause order, I think.

The plaintiffs have filed papers indicating that they oppose remand. The defendants have filed papers indicating that they would prefer remand. I leave it to the Court, obviously, whether you would like to hear from either.

JUDGE ZOBEL: I don't think so because we have been working all along towards Bellwether trials now that the Tennessee cases are gone and STOPNC, whatever they're called, cases are gone. Now, that was the next one in line. My anticipation is that based on what Judge Boal tells me will be the time needed for the discovery, that that will be tried in about a year.

MR. KIRBY: Your Honor, if I may. Greg Kirby on behalf of Box Hill. Just briefly -- I'll respect that you don't want to hear from me in general in terms of the whole argument, but I do want to --

JUDGE ZOBEL: I do want to hear from you, but

1 briefly. 2 MR. KIRBY: I do want to point out a very important 3 procedural -- the procedural background here. There are eight cases that were filed in Maryland state court that were then 4 5 removed to the federal court by Ameridose, a former co-defendant that's now settled out, is no longer around, and 6 7 then we're brought to this MDL and we've been dealing with 8 them for a while. 9 Shortly thereafter, 26 other cases or there about 10 were filed -- other cases against Box Hill Surgery Center were 11 filed by patient plaintiffs, and I shouldn't say "cases." 12 There are -- 26 patient plaintiffs filed suit against Box Hill 13 in the same Maryland state court. They're still in Maryland 14 state court, in Harvard County, Circuit Court for Harvard 15 County, and then --16 JUDGE ZOBEL: Do they want to come Here? 17 MR. KIRBY: I'm sorry? 18 JUDGE ZOBEL: Do they want to come here? 19 MR. KIRBY: I would prefer that they stay there. 20 However, that gets me to my next argument. 21 plaintiffs have not expressed in an interest in bringing them 22 here either. 23

There is also about 50 plus other patient plaintiffs who have filed suit against about 17 additional healthcare providers in Maryland. They're not my clients. They're just

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completely separate actions, and they are all in the same place -- well, they're slit up between two circuit courts.

The plaintiffs down there in the state court who are similar attorneys to here that -- there's a PSC -- a member of the PSC's firm who is driving that, and also another attorney from the Angeles firm who is involved in this MDL and the state court action, and they propose a mini-MDL, if you will, in Maryland, in the Maryland state court. As a matter of fact, several of those actions already have all been consolidated into one action for purposes of pretrial -- you know, pretrial discovery. The same --

JUDGE ZOBEL: Are these all pending in the Maryland state court?

MR. KIRBY: Correct. So, there's about 80 -- more than 80 cases against about 20 healthcare providers in Maryland, and then there's -- including the Box Hill defendants, and then there's the same Box Hill defendants that have eight cases pending against it here. You've got four -- you've got the issue we talked about earlier with the healthcare providers and the MDL with only four cases against it. We feel like we're more in line with that situation. There's also -- it's my understanding -- and I don't want to speak for Mr. Blumberg, but that the Premier defendants who we've been lockstep with for a while, they used to be kind of ahead of us in the schedule, if you will. Those plaintiffs

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and defendants have all agreed that remand would be more efficient to get back to New Jersey, and they have 52 cases, I think, here in the MDL currently and none in the state court of New Jersey, and I would proffer that, you know, we're in that situation where we have only eight cases in the MDL. We have 26 cases in the state court where this mini MDL process here -- there's already a process that's been bandied about, to push those towards trial and to set up an MDL, if you will, mini MDL there, that we're more akin to that situation and fighting us on two fronts. The same plaintiffs attorneys, the same defense attorneys, the same exact defendants, you know, more in the state court than here. And so, in terms of the discovery that has to be done, it would just make much more sense in terms of efficiency to be in the Maryland state court. Maryland plaintiffs, Maryland defendants, injury in Maryland, the subsequent treatment in Maryland. When you talk about -- and MDL law would apply.

When you talk about the convenience to the parties and the witnesses, you have all Maryland plaintiffs, all Maryland defendants. You know, to come here and litigate here, you have all of those -- all of those people who would have to spend -- expend great sums of money to come up here, you know, for -- and live up here for a month to try just one case.

JUDGE ZOBEL: It's going to take a month to try the

case?

MR. KIRBY: Well, to prepare the trial.

And in addition to those -- so, put that aside.

You've got all these, quote, "innocent" witnesses, the witnesses that have no involvement and didn't ask to be involved. The treating physicians, you know, the other witnesses, the other fact witnesses to this case, they would also have to come up here.

Now, I think what the plaintiffs said in their filing, they talked about that that's not a big deal. Don't worry about the inconvenience to those people, but they were more concerned about the inconvenience to a few potential witnesses, those being, I think, the national settling defendant witnesses, to which discovery has already occurred. And so, they would only have to deal with the trial aspect, and there's also issues of whether they have fault here, you know, in terms of the causation argument. So, they put themselves in that situation versus these other witnesses. I mean, the treating physicians, you know, for these patients would have to, you know, travel up here and close down their practices for the day or more to do that.

So, we feel that in terms of the convenience, it's much more -- any minimal convenience to the settling defendant witness is -- it outweighs, you know, putting their -- putting these others Maryland witnesses out to have to come up here.

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They also mention -- I think this is important. think one of the plaintiffs' arguments is that, Oh, well, now there's this issue of -- I think they have to -- the plaintiffs have to indemnify, or whatever the settlement agreement says, you know, the settling defendants. So, if they have to come down to Maryland to testify, that would incur additional costs and --JUDGE ZOBEL: What settling defendants are you talking about? MR. KIRBY: Well, what I'm talking about are the national defendants. So, to the extent that Liberty and Unifirst -- so, there were --JUDGE ZOBEL: You mean in connection with the comparative fault? MR. KIRBY: Right. Maryland doesn't comparative fault, but we have the Uniform -- we have UCATA. statute that's allows joint tortfeasor status and then there's a -- to put it simply, a discount or setoff for any joint tortfeasors who are involved. There's no additional costs. There's no additional moneys that the settling defendants -- the national settling defendants would have to pay or incur. They wouldn't have -they, you know, wouldn't have to deal with anything. It's just that Box Hill would get -- would get a setoff or a discount for them being joint tortfeasors.

So, the plaintiff said, well, if they have to come down to trial and defend themselves, that would be an additional cost. We tried to remedy that early on by asking the plaintiffs' attorneys to agree and to classify these other national settling defendants, Liberty and UniFirst and Victor and ARL, to suggest that they be labeled as joint tortfeasors for purposes of this, and that would eliminate a lot of -- a lot of the trial, a lot of the issues. It would have been to be discussed, and it would eliminate the cost to those entities to be involved, and the plaintiffs refused.

It's their right, but the problem with that is that, you know, when -- they simply -- the plaintiffs wanted to double dip. I mean, they want this settlement money, nearly \$50 million and -- I don't know what it is exactly. So, they get that settlement money from these entities, but in the same breath, if there's a judgment of damages -- so, the total damages incurred for these plaintiffs -- for these patient plaintiffs, they want to get -- they want to get all of that money from Box Hill, regardless of whether these other entities had some fault in there.

And I bring this up because it's an important point. When the litigation started, the plaintiffs sued these other entities or at least blamed them and said Liberty had a faulty design clean room. Unifirst didn't clean right, and ARL didn't test the stuff right, and Victory didn't keep up the

HVAC unit. So, they screamed to the high heavens that these entities had fault.

But then when they settled with these entities for about \$50 million in total, they then changed their tune and ever since have wanted to disavow any responsibility for these other entities and that's because they want to double dip in the damages and the money awarded.

So, any inconvenience for these -- for these settling defendants is far less and, frankly, their fault compared to the Maryland witnesses who are all mostly down there already, you know, live and work in Maryland not from the far from the courthouses --

JUDGE ZOBEL: When do the Maryland cases in Maryland going to trial?

MR. KIRBY: So, I don't have an exact date, and I apologize. I don't have a scheduling order with me, but there are a whole slew of the Maryland cases that are scheduled I think sometime in -- I think it's the end of 2017 or thereabouts. The cases against Box Hill are in Hartford County Circuit Court. The plaintiffs in that case, which involved members of the plaintiff's steer committee's firm, had suggested that we put all of the Maryland cases together -- they're in neighboring counties -- put all of them together and go with the same scheduling order and have everything together so that we have consistent rulings.

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We agreed to that. Box Hill defendants agreed with There have been several other defendants who have maybe had a different opinion, and I think we're going to have a scheduling conference at some point with the judge to discuss that. JUDGE ZOBEL: Okay. Is there anyone on the telephone who desperately needs to add anything? MR. COREN: Your Honor, there are two counsel, I believe, for the plaintiffs are. On the phone speaking is Michael Coren. I appeared before your Honor. I was co-chair of the creditors committee a number of times, and you may remember me. And then Patty Kasputys from Peter Angelo's office is also on the line, I believe. If I may ask Patty if she wants me to first speak or if she wants to speak first. MS. KASPUTYS: I would be glad to speak first. This is Patty Kasputys, and I would like to, if I could, point out a number of inaccurate statements that were just represented to the Court by defense counsel and --JUDGE ZOBEL: I'm sorry. Whom do you represent? MS. KASPUTYS: We represent seven of the plaintiffs in the MDL who have filed cases against Box Hill Surgery Center, what was two Bonnie LLC. So, Mr. Coren represents one of the other plaintiffs in these cases. MR. COREN: Your Honor, that would be Megan Handy.

Megan Handy is the executrix of the Estate of Brenda Rozeck,

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R-o-z-e-c-k. Brenda Rozeck is one of the two murder victims that are -- will be before the Court in the trial of the case of Cadden, et al., on The criminal matter. She is one of the, as I said, two murder cases that are in the MDL. JUDGE ZOBEL: Well, if you want to add anything to what counsel have said so far, please do it quickly. MR. COREN: Patty? MS. KASPUTYS: Yes. First -- I'm sorry. Do you want Mr. Coren to go first, your Honor. JUDGE ZOBEL: I just want somebody to talk, but very briefly. MR. COREN: Patty, you go. MS. KASPUTYS: Okay. I would like to say at the outset that this is, in fact, an order that was entered on May 5th, Document No. 2851, that provides in both the Box Hill and the Premier cases for discovery that goes beyond the common fact discovery deadlines, which we've been adhering to since the case first came to this Court in late 2014, and this does, indeed, provide for the Bellwether process and case-specific expert report and the completion of case-specific expert deposition in July of 2017. Mr. Kirby represented that there is a trial date in the Baltimore County circuit court cases. I might add, there is where a scheduling order has been entered by the state court for common issues discovery,

but it expressly excludes the eight cases that Mr. Coren and

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my firm represent that are before your Honor, and we have a strong position that the cases should continue to proceed before this Court, as there has been discovery that has been proceeding. There has also been motion practice before your Honor where, in fact, significantly, the defendant made expressed representations that it intends before the Court to advise the plaintiffs of notice that it intends to present evidence of the liability of the national and national affiliated defendants and unaffiliated defendants. approximately 50 cases that are pending in the circuit court for Baltimore County is, again, not against Box Hill. They're not, as Mr. Kirby said, the same exact defendants. none of the same defendants in that court. The cases -- this firm respects twelve cases against -- plaintiffs in twelve cases against Box Hill in the circuit court for Hartford County Maryland where there are no scheduling orders in place, and, your Honor, just to be brief, I just want to make it clear that --JUDGE ZOBEL: I'm laughing because "to be brief" at the end of a long narrative. MS. KASPUTYS: I apologize. I'll finish, your Honor, but we didn't put the indemnity issue and claim that anybody has to come to Maryland to have those issues tried. In fact,

we've opposed the defendants proceeding on any cross-claims or

third-party claims, and that's -- I'll conclude with that

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      remark, your Honor.
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               JUDGE ZOBEL: Thank you very much.
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               MS. KASPUTYS: Thank you.
               MS. JOHNSON: The PSC's view, your Honor, is that it
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      makes sense for the Box Hill cases to remain here and to
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      continue according to the established schedule.
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               JUDGE ZOBEL: Okay. So that one I'll have to decide.
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               MS. JOHNSON: That brings us, then, to Premier, your
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      Honor, and I believe there's no decision needed here. In
      Premier, you'll recall that there are about 40 cases pending
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      in the MDL. The defendants want -- or asked this Court to
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      remand, and none of the plaintiff's attorneys have objected to
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      that.
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               JUDGE ZOBEL: So that should be allowed without
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      objection?
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               MS. JOHNSON: Yes, your Honor.
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               MR. BLUMBERG: Judge, if I could, this is Jay
18
      Blumberg representing Premier.
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               Just to complete the record to make certain that
20
      there's no confusion, two things:
               One is, the attorney for two additional defendants,
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22
      Dr. Perkins and Dr. Bhagat, who traditionally are included in
23
      the Premier cases, would join in a request for remand, and
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      there has been no objection that I have seen from the
25
      plaintiffs.
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               And the one thing I want to -- I would be remiss -- I
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      did receive an email from one of the cases, the Over Street
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      case, which is represented -- I think the plaintiff is
      represented by Ms. Dougherty, that did object, and it really
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      creates an interesting issue.
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               She directly filed in the District of Massachusetts
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      instead of filing in New Jersey at a point in time when she
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      was entitled to do that because of the MDL, and we would ask
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      that all of the cases, including that one, get transferred
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      back to New Jersey. It doesn't make any sense to keep one
11
      case up here in the state of Massachusetts.
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               JUDGE ZOBEL: I'm sorry, what's the number of that
13
      case or the name of it?
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               MR. BLUMBERG: It's Overstreet, John Overstreet.
15
      don't have the number, your Honor.
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               JUDGE ZOBEL: Okay.
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               MS. JOHNSON: As a procedural matter, I don't believe
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      the Court can, pursuant to a suggestion for remand, send that
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      case back under 1404. I think there has to be a separate
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     motion for transfer.
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               JUDGE ZOBEL: Es.
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               MR. BLUMBERG: I'll file the appropriate motion, your
23
      Honor.
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               JUDGE ZOBEL: Okay.
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               MS. JOHNSON: And then that brings us, finally, your
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Honor, to Specialty Surgery Center, which Mr. Stranch will address.

JUDGE BOAL: Can I just ask, since Premier and Box
Hill are together for purposes of scheduling at this point, if
the Premier cases are no longer here -- and, obviously, Judge
Zobel needs to decide whether the Box Hill cases that are here
will remain here -- is there an opportunity to shrink the
schedule?

MS. JOHNSON: I would defer to Ms. Kasputys for her views on that.

MS. KASPUTYS: Absolutely. I think we can certainly discuss that, your Honor.

JUDGE BOAL: I understand you may dispute that, but, obviously, it's up to Judge Zobel what she's going to go with the Box Hill cases, but if they still here, I would certainly ask the parties to consider that.

MR. KIRBY: Well, let me just add my two cents in response. And that is, I think when the deadlines were set, it took into consideration the timing of which, you know, it takes to designate experts and do deposition discovery, and the like. And so, I think that it wasn't that the Box Hill schedule was set based on having another -- having Premier here already. I think -- you know, that would be maybe down the road with the trial schedule.

JUDGE BOAL: We would be talking eight versus 60

plaintiffs, right? And I don't know what experts the plaintiffs would be using for common issue or if there's overlap with what's already been done with Tennessee, so that that might be able to be shortened in this trial.

MR. KIRBY: Let me just add one more, if I may -- one more point, if I may, and that's with regards to consistency and efficiency.

There are depositions that we would take in the common-issue phase of the MDL for our eight cases. That would include, for example, the Maryland Board of Pharmacy, representatives of the Maryland Board of Pharmacy, Maryland Department of Health, but the same thing would happen in the state court cases, and I don't really just mean mine, the Box Hill cases. As a matter of fact, I think yesterday one of the other clinic defendants that is unrelated to me in the state court cases served a notice or a subpoena for a deposition on the Maryland Board of Pharmacy and the Maryland Department of Health.

So, my point is, if we're back in Maryland -- or our case is back and join the other 80 in Maryland, it would streamline the process. So that the -- it can happen once.

JUDGE ZOBEL: I don't understand that. If you respect the Box Hill defendants, why can't you all agree that whatever discovery is taken in one jurisdiction applies to the other jurisdiction? You're going to have the same experts and

1 the same -- substantially the same part -- same witnesses. MR. KIRBY: Well, I'm represented by different 2 3 counsel. I mean, I don't --JUDGE ZOBEL: So? 4 5 MR. KIRBY: There's another example with fact 6 witnesses and there are fact witnesses who -- one used to be 7 employed by Box Hill, but is now employed at one of the other 8 clinic defendants who is being sued, and it's walking a tight 9 rope because the plaintiffs want to take the deposition for 10 purposes of the MDL, but the concern is -- and it's not --11 JUDGE ZOBEL: Which MDL, the ones you've manufactured 12 in Maryland or the one that's here? 13 MR. KIRBY: These eight MDL cases. The other 26 were 14 never in the MDL. They were in --15 JUDGE ZOBEL: But You called it like the MDL. You 16 said you --17 MR. KIRBY: I'm sorry. 18 So, Ms. Kasputys is on the phone, noted the 19 deposition of these two employees for purposes of this MDL, 20 but they're certainly employees of another healthcare provider 21 clinic defendant in the state court cases, and the concern is 22 that their testimony could -- and some of the questions are 23 geared towards, Well, what does this other ambulatory surgery 24 center do, you know, in terms of its processes, and stuff, and 25 the concern is that those questions would have an implication

on the state court cases. Whereas, it's only noted in the MDL for purposes of the Box Hill case, and that just goes to my point about having everything together.

JUDGE ZOBEL: Well, that witness might be deposed by the Box Hill plaintiffs in Maryland.

MR. KIRBY: Well -- and if that were to happen, maybe it would happen once for all of the cases and not two or three times. There's also the question of disparate rulings. I mean, this Court has ruled certain ways on certain things and the state court judge can -- could rule differently -- you know, different ways on the same thing.

JUDGE ZOBEL: But they haven't yet.

MR. KIRBY: It's not for lack of trying. I don't think the judges, but the plaintiffs are -- you know, we had asked the plaintiffs to drop certain claims that were disallowed in this Court and, you know -- but we filed a motion to dismiss, and they refused to do it. So, they're still pursuing it. So, there's the chance that there will be competing appeals to different courts. So, just wanted to bring that up.

JUDGE ZOBEL: All right.

MS. JOHNSON: On that note, your Honor, I'll just remind the Court that Ms. Martin was appointed the federal state liaison to liaise in this exactly this type of situation. So, to the extent there's any liaising that needs

1 to be done as a result this, she was happy to do so. 2 JUDGE ZOBEL: Okay. You know her, do you not? 3 you can talk with her about making sure that there's no duplication. 4 5 MR. KIRBY: We'll see what happens. 6 JUDGE ZOBEL: Thank you. 7 All right. Now we go to Specialty Surgery. 8 MR. STRANCH: Yes, your Honor. Specialty Surgery was 9 not subject to the show cause order. They were -- they were 10 one -- they were the other big clinic in Tennessee that has 11 over 20 cases against them. 12 Now that we've reached our agreement principle with 13 all of the Saint Thomas cases, Specialty Surgery is next, and 14 one of the things we were going to be asking the Court for was 15 that we go ahead and set a Bellwether schedule for Specialty 16 Surgery. 17 Common discovery is almost completed at this point. 18 We're waiting on a ruling from Judge Boal that was argued 19 today that will -- once it's ruled upon, will lead to the last 20 couple of depositions and then we'll ready to move into the next phase. 21 22 JUDGE BOAL: So, I'm a little bit confused about the 23 schedule based on the order that I had issued in February.

So, the close of common fact discovery was 30 days after the

Court's ruling on the motion to compel, which I think has been

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      done for the Court's ruling on the 12(b) motion by Culclasure
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      & Associates.
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               MR. STRANCH: Culclasure, yes. Culclasure opted not
      to file a motion to dismiss and they filed answers last week,
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 5
      your Honor.
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               JUDGE BOAL: So, when is the close of common fact
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      discovery?
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               MR. STRANCH: We're not sure. I would assume it
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      would be 30 days after that. That's why I was suggesting we
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      need to go ahead --
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               JUDGE BOAL: 30 days after what?
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               MR. STRANCH: After the answer, I guess.
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               JUDGE BOAL: I see. So, did they file the answer?
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               MR. STRANCH: They filed the answer last week, but I
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      would suggest to the Court that what we need to do is we need
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      to go ahead and enter a Bellwether schedule with hard stop
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      dates on common discovery, experts, a process to pick the
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      Bellwether cases that would proceed to trial, because once we
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      get the ruling from Judge Boal that was argued today, we'll be
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      able to do the last two or three depositions and review those
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      documents, and we'll be ready to move on.
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               JUDGE ZOBEL: Are you operating with the committee,
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      the PSC?
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               MR. STRANCH: Yes, your Honor. I'm a member of the
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      Plaintiffs' Steering Committee.
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1 JUDGE ZOBEL: That's what I thought. So, I thought 2 we had agreed at one point that following the Tennessee 3 Bellwether trial, that the next would be Box Hill, I thought. MR. STRANCH: Well, what we originally discussed, 4 your Honor, was that Tennessee would have all the Bellwethers 5 6 and it would be Saint Thomas and Specialty Surgery. We then 7 had a discovery issue in Specialty Surgery and those cases 8 dropped behind. I think we were actually ahead of Box Hill 9 and Premier. 10 JUDGE ZOBEL: Why don't you when you give us your 11 next report, give the next report to Judge Boal. Include in 12 it your proposal for Bellwether trials. 13 MR. STRANCH: Be happy to do it, your Honor. 14 JUDGE ZOBEL: And keep in mind that it may be that, 15 depending on who the defendant -- the group of defendants is, 16 that it may be not necessary to have another year of 17 discovery. 18 MR. STRANCH: I don't believe we need another year of discovery, your Honor. 19 20 JUDGE BOAL: Because there's a schedule already in place. So that the -- if it's 30 days from yesterday, so then 21 22 there's a deadline based on that last week for the common 23 expert reports, rebuttal common reports, and expert 24 depositions. So, those should all be proceeding without 25 further order of the Court. So, what you're asking for is the

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      steps after that, but from what you're saying, the steps after
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      that would still come in ahead of the Box Hill and Premier
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      defendants.
               MR. STRANCH: I believe so, your Honor.
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               JUDGE BOAL: So, those cases could be tried in the
 6
      spring potentially.
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               MR. STRANCH: Yes, your Honor.
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               JUDGE ZOBEL: So, what you're suggesting is these
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      Specialty Surgery cases are first.
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               MR. STRANCH: That's correct, your Honor.
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               JUDGE ZOBEL: Okay. I mean, if that's what you --
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      makes no difference to me.
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               MR. STRANCH: We'll meet and confer with the
      defendants' counsel and see if we can't work up a schedule
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      that works for everyone, and we'll hope to -- we'll present it
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      to the Court for competing proposals before --
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               JUDGE ZOBEL: I hope so. Let me know who the
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      defendants -- which defendants are going to go in what order
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      for the Bellwether trials.
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               MR. STRANCH: Yes, your Honor, we'll do that.
               MR. TARDIO: Your Honor, Chris Tardio --
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               JUDGE ZOBEL: Also, the Maryland cases, who knows,
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      may end up by the wayside or in Maryland.
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               MR. STRANCH: Yes, your Honor.
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               MR. KIRBY: That would be preferred.
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               JUDGE ZOBEL: I know. And you do get the last word
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      on it.
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               MR. COREN: Your Honor, just for Box Hill, to be
      clear, and miss enhanced our desire is to --
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               JUDGE ZOBEL: Excuse me. Who is speaking, please?
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      Wait a minute. The reporter needs to know -- I need to know
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      who is speaking.
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               MS. COREN: Mike Coren, your Honor, Ms. Handy's
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      client.
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               I think in terms of working out -- obviously, we have
      a good relationship with the Tennessee plaintiffs and we'll
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      work out, you know, the schedule that could satisfy the
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      Court's needs as well as the litigants' needs.
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               JUDGE ZOBEL: I will give you a very quick decision
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      on whether Box Hill is here or there, and then you can include
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      that in the total picture that you're going to present about
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      Bellwether trials.
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               MR. COREN: Thank you, your Honor.
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               JUDGE ZOBEL: And I guess the Massachusetts cases are
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      in Bellwether. I think I have jurisdiction to do that. So,
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      they should be fitted in there somewhere, too. Anybody else?
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               MR. TARDIO: Your Honor, Chris Tardio. I represent
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      Specialty Surgery Center. I need to note two important
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      points:
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               One is -- maybe directed more to Judge Boal because
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of the scheduling order. The reason I think that the scheduling order hinged on the ruling or the resolution of the motion to dismiss was to determine whether or not the Culclasures were going to be in the case because that will impact discovery and also expert witnesses.

My understanding is that they will file -- I'm assuming they will file a motion. Maybe it's not a motion to dismiss, but I assume they will file a dispositive motion.

So, what I'm afraid of is our expect deadline will come and we will have to incur expense and time disclosing experts, taking Culclasure discovery, when they have a -- it doesn't matter what I think, but a good faith statute of limitations defense and may not end up in the case. So, that's --

JUDGE BOAL: But they haven't raised it right now as a Rule 12(b). So, they've made that decision, right? So they're going forward. I know you're not their counsel.

MR. TARDIO: I understand. I understand.

The second point to the remand issue, we had filed yesterday a motion -- we were left out of the show cause order. Specialty Surgery is kind of isolated as a separate group of cases. We filed a separate motion for suggestion of remand yesterday and for ultimate transfer back to Tennessee at the conclusion of common discovery. That's our position.

The timing of the motion was because these issues

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      were going on now, we thought it most efficient to handle our
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      issues, too. So, I would note that one would need to be
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      decided, hopefully, along with all these other clinics.
               JUDGE ZOBEL: Okay. So, it's Box Hill and Specialty.
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 5
      All right.
               MR. KIRBY: Your Honor, Greg Kirby for Box Hill.
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 7
               I don't have any other business, I don't believe, and
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      I'm trying to catch a plane. May I be excused?
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               JUDGE ZOBEL: You go right ahead.
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               MR. KIRBY: I'm sure you're happy to get rid of me.
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               JUDGE ZOBEL: That's not true at all.
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               MR. KIRBY: Thank you, your Honor.
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               (Attorney Kirby is excused from the courtroom.)
               MR. STRANCH: Your Honor, this is Gerard Stranch for
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15
      the PSC on the Specialty Surgery motion to remand and transfer
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      back to Tennessee.
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               If the Court is going to consider that motion, then
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      we would like to have an opportunity to file a response to it.
19
      And so, we just need to know when the Court would like to have
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      our response on that, because we don't think the cases should
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      be remanded and transferred. The Court considered this in the
22
      Saint Thomas cases and denied the same request. And so, we're
23
      not sure what --
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               JUDGE ZOBEL: You can have faith.
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               MR. STRANCH: We have faith. I have faith in you,
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1
      your Honor.
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               JUDGE ZOBEL: I'm sorry?
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               MR. STRANCH: I have faith in you, your Honor.
      You're doing great so far.
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               JUDGE ZOBEL: How much time do we -- when do you want
 6
      to file this?
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               MR. STRANCH: Two weeks, 14 days.
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               JUDGE ZOBEL: Did we tell Specialty Surgery -- their
 9
      motion is pending.
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               MR. STRANCH: They filed it yesterday.
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               JUDGE ZOBEL: Yes. Okay. So, you want two weeks to
12
      file an opposition?
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               MR. STRANCH: That would be fine.
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               JUDGE ZOBEL: You go right ahead.
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               MR. STRANCH: Thank you, your Honor.
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               JUDGE ZOBEL: That's Docket No. 2939 that you're
17
      talking about, right?
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               MS. JOHNSON: Yes, I believe so, your Honor, yes.
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               MR. STRANCH:
                            Yes.
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               JUDGE ZOBEL: All right. Now, back to the -- I think
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      we had finished with the remand, correct.
22
               MS. JOHNSON: Yes, your Honor.
23
               JUDGE ZOBEL: And now we go back to the agenda.
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               MR. STRANCH: Your Honor, the next thing on the
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      agenda is the Specialty Surgery defendant's motion for summary
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judgment. They did not file pursuant to the Court's order a request for leave to file the summary judgment. We have not opposed their request to file it yet, but they filed a notice saying that we've -- that we've not opposed their motion for summary judgment. Whenever the briefing is due on that, we do intend to oppose that. I just want to make sure that is clear. JUDGE ZOBEL: Do they still have time to file an objection, an opposition? MR. STRANCH: Your Honor --JUDGE ZOBEL: They haven't filed their motion. MR. STRANCH: They filed -- they didn't follow the procedure the Court set out in the MDL order back in July of 2015 that required that before you file a motion for summary judgment, you seek leave of the Court to do so. They just filed the motion for summary judgment. MR. TARDIO: That's because the order requiring leave only applied to the STOPNC cases, as I understood it. MR. STRANCH: That is not correct. MR. TARDIO: Well, if it's not correct, then we will go through the proper procedure, but all the motion is asking for is the Court apply the same Tennessee legal ruling that the Court entered in the STOPNC cases to the SSC cases. I don't know what the opposition would be. JUDGE ZOBEL: Is there any reason why we can't allow

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      this motion to stand and you oppose it if you want?
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               MR. STRANCH: We're happy to do oppose it, your
 3
      Honor.
               JUDGE ZOBEL: So, we'll deal with it as properly
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 5
      filed.
             And you'll oppose it when?
               MR. STRANCH: 21 days from today.
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 7
               JUDGE ZOBEL: Okay. That would be --
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               COURTROOM DEPUTY CLERK YORK: That would be the 13th,
 9
      Judge.
               JUDGE ZOBEL: The 13th?
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11
               COURTROOM DEPUTY CLERK YORK: Yes.
12
               JUDGE ZOBEL: July 13th.
13
               COURTROOM DEPUTY CLERK YORK: Yes.
14
               MS. JOHNSON: That brings us to Item 7, your Honor,
15
      which would be the schedule for future status conferences.
16
               JUDGE ZOBEL: Does August, September mean August or
17
      September or both?
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               MS. JOHNSON: Sadly, it means August, September and
19
      July. So, the Court will recall that July 28th we had set a
20
      pretrial conference --
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               JUDGE ZOBEL: And you want to turn that into a
22
      regular --
23
               MS. JOHNSON: Exactly, your Honor. We suggest
24
      converting that to the status conference on July 28th.
25
               JUDGE ZOBEL: And then when do you want -- August,
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      September?
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               MS. JOHNSON: Yes, August 18th we were proposing or,
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      perhaps, the 24th would work for the plaintiffs.
               JUDGE ZOBEL: Why don't we do August 24th.
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               COURTROOM DEPUTY CLERK YORK: The 24th? Okay.
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 6
      August 24th, at 2:00?
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               JUDGE ZOBEL: Yes.
 8
               COURTROOM DEPUTY CLERK YORK: Okay.
 9
               JUDGE ZOBEL: And September we don't need to worry
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      about yet, right?
11
               MR. STRANCH: We suggest that we do set that, your
12
      Honor, only because with school resuming, the travel can be
13
      difficult.
14
               JUDGE ZOBEL: When in September?
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               MR. STRANCH: We are suggesting the 29th or, perhaps,
      the 22nd.
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               JUDGE ZOBEL: 29th is fine.
17
18
               COURTROOM DEPUTY CLERK YORK: 29th, at 2:00, okay.
19
               MS. JOHNSON: And just one second, your Honor, if I
20
     may.
21
               (Discussion off the record.)
22
               MR. SOBOL: Your Honor, given the scheduling
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      commitments that Ms. Johnson has on July 28th, would be okay
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      if Ms. Martin and Mr. Ellis were here instead of either she or
25
      I?
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               JUDGE ZOBEL: I don't have a problem, but if you want
      to change it to the 22nd, we'll do it on the 22nd. It's up to
 2
 3
      you.
               MR. SOBOL: It's up to you.
 4
 5
              MS. JOHNSON: No. We're fine, your Honor, with Ms.
     Martin and Mr. Ellis say handling that conference. Thank you.
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 7
               MS. GREER: Your Honor, could we just confirm those
 8
      dates real quickly? Because I've been hearing different --
               JUDGE ZOBEL: I'm sorry?
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10
               MS. GREER: Could we just confirm those dates because
11
      I'm not sure --
12
               JUDGE ZOBEL: Yes. July 28th, August 24, and
13
      September 29.
14
               MS. GREER: Thank you.
15
               JUDGE ZOBEL: Now, did we -- I think we finished with
16
      Abdul Barakat and we decided that I need to decide, right?
17
               MS. JOHNSON: Correct, your Honor.
18
               That brings us to briefing in progress. There's only
19
      one item there, which is Massachusetts Board of Pharmacy's
20
     motion to withdraw.
21
               JUDGE ZOBEL: I endorsed that, Lisa, somewhere. So
22
      I'll give it to you.
23
               COURTROOM DEPUTY CLERK YORK: Okay.
24
               MS. JOHNSON: That brings us to F, which is just to
25
      itemize for the Court's reference the motions that have been
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1
      stayed as a result of the Court's order addressing Saint
 2
      Thomas.
 3
               JUDGE ZOBEL: It's quite a list.
               MS. JOHNSON: I know, it's quite a number, isn't it?
 4
      So, that's actually Items 10 through 25.
 5
               JUDGE ZOBEL: All right.
 6
 7
               MS. JOHNSON: And I believe that brings us to the end
 8
      of the agenda, your Honor.
 9
               JUDGE ZOBEL: Is there any other business that we
10
      need to take care of by counsel who are here or by counsel on
11
      the phone?
12
               (No response.)
13
               JUDGE ZOBEL: In that case, we're adjourned. Thank
14
      you again.
15
               MS. JOHNSON: Thank you.
16
               MR. STRANCH: Thank you, your Honor.
17
               MR. SOBOL: Have a nice summer.
18
               JUDGE ZOBEL: I'm going to be here at least two
19
      months of the summer.
20
               (Adjourned, 3:21 p.m.)
21
22
23
24
25
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CERTIFICATE

I, Catherine A. Handel, Official Court Reporter of the United States District Court, do hereby certify that the foregoing transcript, from Page 1 to Page 65, constitutes to the best of my skill and ability a true and accurate transcription of my stenotype notes taken in the matter of Multidistrict Litigation No. 13-02419-RWZ, In Re: New England Compounding Pharmacy Cases Litigation.

June 25, 2016
Date

/s/Catherine A. Handel
Catherine A. Handel, RPR-CM, CRR